

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S/041/0033 Mine Name Aurora Clay Mine
Operator Western Clay Company Date Sent March 5 2012
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded
Notice of file closure and Reclamation Surety
2012-03052012

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2012-03052012

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2012-03052012

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 29, 2012

Certified Return Receipt
7011 0110 0001 3568 3025

Zions First National Bank
International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071

Subject: Authorization for Full Release of Reclamation Surety, Western Clay Company, Aurora Clay Mine, S/041/0033, Sevier County, Utah

Dear Sir or Madame:

Zions Bank is presently holding Letter of Credit ; in the amount of \$4,000.00 for the benefit of the State of Utah, Division of Oil, Gas and Mining, as a form of reclamation surety for Western Clay Company's Aurora Clay Mine. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter authorizes the full release of this surety.

Please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261 if you have any questions or concerns. Thank you for your help in this matter.

Sincerely,

John R. Baza
Director

JRB:pnb:pb

Enclosure: Original LOC.

cc: Brad Boyter, Western Clay Company

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April 19, 2010

**IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____
AMENDMENT**BENEFICIARY:
UTAH DIVISION OF OIL, GAS AND
MINING
1594 WEST NORTH TEMPLE, SUITE 1210
PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801LETTER OF CREDIT DATE:
August 11, 2004

CURRENT AMOUNT: USD4,000.00

Dear Sir/Madam:

We have been requested by WESTERN CLAY COMPANY, P.O. BOX 127 AURORA, UTAH 84640 to amend the above referenced IRREVOCABLE LETTER OF CREDIT issued in your favor, as follows:

This letter of credit is decreased by: USD 10,000.00
The new amount of this letter of credit is: USD 4,000.00

All other terms and conditions remain the same.

This amendment is an integral part of the captioned letter of credit and must be attached to the said letter in your possession.

Please indicate your acceptance or rejection to this amendment by signing and returning the attached copy to Zions First National Bank, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071.

If you have any questions concerning this transaction, please call us at (213) 593-2131, (213) 593-2128 or (213) 593-2127.

Sincerely,



Authorized Signature Linda Shum
Vice PresidentAccepted X
(sign & return this copy only)Rejected _____
(sign & return original amendment with this copy)

Beneficiary's Authorized Signature & TitleMay 10, 2010
Date

Paul B. Baker, Minerals Program Manager

ZIONS BANK

International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071
S.W.I.F.T: ZFNBUS55

50410033

Amendment of
Standby Letter of Credit

L/C No

April 19, 2010

**IRREVOCABLE STANDBY LETTER OF CREDIT NO.
AMENDMENT**

BENEFICIARY:
UTAH DIVISION OF OIL, GAS AND
MINING
1594 WEST NORTH TEMPLE, SUITE 1210
PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801

LETTER OF CREDIT DATE:
August 11, 2004

CURRENT AMOUNT: USD4,000.00

Dear Sir/Madam:

We have been requested by WESTERN CLAY COMPANY, P.O. BOX 127 AURORA, UTAH 84640 to amend the above referenced IRREVOCABLE LETTER OF CREDIT issued in your favor, as follows:

This letter of credit is decreased by: USD 10,000.00
The new amount of this letter of credit is: USD 4,000.00

All other terms and conditions remain the same.

This amendment is an integral part of the captioned letter of credit and must be attached to the said letter in your possession.

Please indicate your acceptance or rejection to this amendment by signing and returning the attached copy to Zions First National Bank, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071.

If you have any questions concerning this transaction, please call us at (213) 593-2131, (213) 593-2128 or (213) 593-2127.

Sincerely,


Authorized Signature

Linda Shum
Vice President

RECEIVED
APR 20 2010
DIV. OF OIL, GAS & MINING

ZIONS BANK

Established in 1873

International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071
S.W.I.F.T: ZFNBUS55

Standby Letter of Credit

L/C N

5/041/033

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

Date: August 11, 2004

UTAH DIVISION OF OIL, GAS AND MINING
("DIVISION")
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

AUG 13 2004

DIV. OF OIL, GAS & MINING

Dear Sir/Madam:

At the request of WESTERN CLAY COMPANY ("Operator"), P.O. BOX 127, AURORA, UT 84620, we, ZIONS FIRST NATIONAL BANK ("Bank") hereby establish our Irrevocable Standby Letter of Credit in your favor up to an aggregate amount of Fourteen Thousand United States Dollars (USD14,000.00). This credit is available for payment against presentation of your draft(s) at Sight drawn on Zions First National Bank, Los Angeles, California, bearing the clause: "Drawn under credit No. ZSB801123 of ZIONS FIRST NATIONAL BANK, Los Angeles, California".

1. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Los Angeles time) on August 11, 2005, or (b) the date upon which sufficient documents are executed by the Division to release Western Clay Company ("Operator") from further liability for reclamation of Western Clay Company Inc., Aurora Clay Mine, S/041/033, Sevier County, Utah with notice to Bank by the Division accompanied by the original Letter of Credit with directions for cancellation.

2. This Letter of Credit will be automatically extended, without amendment, for successive periods of one year from the current or any future expiration date unless the Bank gives notice to the Division 90 days prior to the expiration date that the Bank elects not to renew the Letter of Credit.

3. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. delivered to the office of the Bank, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

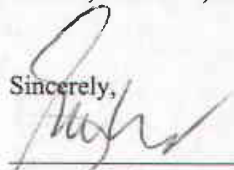
4. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 3 above on or before the expiration or termination of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 3 of this Letter of Credit, available to the Division no later than the close of business, Los Angeles time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.

5. The Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

6. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice of Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

7. All communications regarding this Letter of Credit will be addressed to ZIONS FIRST NATIONAL BANK, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071. referencing Letter of Credit No.

Sincerely,



Emma Montoro
Assistant Vice President

EXHIBIT A – SIGHT DRAFT

To
Letter of Credit Number _____

Date

Letter of Credit No.

City, County

PAY TO THE ORDER OF: **Utah Division of Oil, Gas and Mining**

DOLLARS

TO: ZIONS FIRST NATIONAL BANK, Los Angeles
International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

By: _____
Authorized Signature

EXHIBIT B

To
Letter of Credit Number _____

I, _____ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ _____, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated _____ issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing, has entered an Order which has not been stayed, ordering forfeiture of the Letter of Credit No. ZSB801123, in accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability, together with the costs of collection, including attorneys fees, for the _____ [mine],
_____ [mine permit #].

The Utah Division of Oil, Gas and Mining

By: _____
Authorized Signature

Date: _____



00000000000006005034508062004

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$14,000.00	08-06-2004		6005	2 / 7380		14985	
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: WESTERN CLAY COMPANY
P.O. BOX 127
AURORA, UT 84620

Lender: ZIONS FIRST NATIONAL BANK
SALINA BRANCH
155 WEST MAIN
SALINA, UT 84654

LOAN TYPE. This is a Fixed Rate (0.000%) Nondisclosable Loan to a Corporation for \$14,000.00. This is a secured renewal loan.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.
☒ Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: TO TIE A LETTER OF CREDIT TO A REVOLVING LINE OF CREDIT.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$14,000.00 as follows:

Other Disbursements: \$14,000.00
\$14,000.00 To Maker of Letter of Credit if Drawn Upon

Note Principal: \$14,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash: \$105.00
\$105.00 Loan Origination Fee (\$)

Other Charges Paid in Cash: \$275.00
\$75.00 Documentation Fee
\$140.00 International Fee
\$20.00 Courier Fee
\$40.00 Letter of Credit Set-Up Fee

Total Charges Paid in Cash: \$380.00

FINAL AGREEMENT. Borrower understands that the loan documents signed in connection with this loan are the final expression of the agreement between Lender and Borrower and may not be contradicted by evidence of any alleged oral agreement.

ERRORS AND OMISSIONS. Borrower hereby agrees that it will, within ten (10) days of a request by Lender, comply with any request by Lender to correct documentation errors, omissions or oversights, if any, that occur in any documentation relating to this loan.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED AUGUST 6, 2004.

BORROWER:

WESTERN CLAY COMPANY

By: BRAD G. BOYTER, President of WESTERN CLAY COMPANY

By: GARIN G. MADSEN, Vice President of WESTERN CLAY COMPANY



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 14, 2010

Zions Bank
International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071

Subject: Authorization for Partial Release of Reclamation Surety, Irrevocable Letter of Credit
Western Clay Company, Aurora Clay Mine, S/041/0033, Sevier County,
Utah

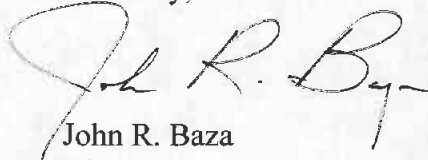
Dear Sir or Madame:

Zion's Bank is presently holding Letter of Credit # _____ for \$14,000 for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Western Clay Company's Aurora Clay Mine. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter will authorize the partial release of LOC # _____ f sufficient principal to reduce the face value of the Letter of Credit to no less than \$4,000 dollars

When this transaction has been accomplished, please furnish us with written confirmation that appropriate funds have been released and that the balance of retained funds will remain at no less than \$4,000.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,


John R. Baza
Director

JRB:lk:pb

cc: Brad Boyter, Operator
Penny Berry, DOGM
Bob Miller, Zions Bank Branch Manager, 155 West Main, Salina, Utah 84654
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50410033

From: Paul Baker
To: Berry, Penny
Date: 4/14/2010 4:36 PM
Subject: Letters to Zions

Penny--

A year ago in February, we sent partial release letters to Zions Bank in Salina. They should have gone to Zions' International Operations Center in Los Angeles, and the Salina branch never acted on the letters. I had a call from the branch manager in Salina who asked if we couldn't re-send the letters to Los Angeles.

I have put the letters together with the correct address. Could you please finalize them for John? Rather than re-printing our findings and inspection documents, we could probably attach a copy of this e mail to answer any questions he has.

Thank you.

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O:\M041-Sevier\S0410033-AuroraClay\Final\bank-2829-04142010.doc

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 22, 2009

LOC - ZIONS BANK #

Emma Montoro, Assistant Vice President
Zions Bank
Salina Branch
155 West Main
Salina, Utah 84654

Subject: Authorization for Partial Release of Reclamation Surety, Irrevocable Letter of Credit
Western Clay Company, Aurora Clay Mine, S/041/0033, Sevier County,
Utah

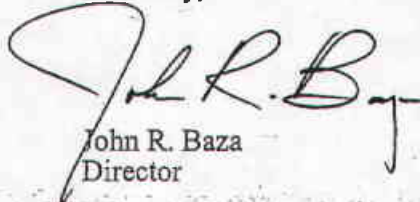
Dear Ms. Montoro:

Zion's Bank is presently holding a Letter of Credit # _____ for \$14,000 for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Western Clay Company's Aurora Clay Mine. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter will authorize the partial release of LOC # _____ of sufficient principal to reduce the face value of the Letter of Credit to no less than \$4,000 dollars

When this transaction has been accomplished, please furnish us with written confirmation that appropriate funds have been released and that the balance of retained funds will remain at no less than \$4,000.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Again, thank you for your help in this matter.

Sincerely,


John R. Baza
Director

JRB:lk:pb
cc:

Brad Boyter, Operator
Penny Berry, DOGM

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JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 4, 2009

Brad Boyter
Western Clay Company
620 East State Highway 24
Aurora, Utah 84620

Subject: Modification of Attachment A to the Reclamation Contract, Western Clay Co., Aurora Clay Mine, S0410033, Sevier County, Utah

Dear Mr. Boyter:

On December 30, 2008 the Division received your request for a site and/or bond release. A letter was sent to you on January 22, 2009 approving the partial bond release.

Please sign the Modification of Attachment A to the Reclamation Contract.

Please return these documents to the Division as soon as possible so that we can proceed with our process in completing this file. If you have any questions please call 801-538-5291 or email bondcoordinator@utah.gov. Thank you for your attention in this matter.

Sincerely,

Penny Berry
Bond Coordinator
Minerals Program

PB

Enclosure: Modification to the attachment A of the reclamation contract

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACTName of Operator: Western Clay Co.Permit Number: S0410033Mine Name: Aurora Clay MinePhone Number: 435-529-3281

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☒ Decrease
☐ Increase
☐ Replacement

Reason: ☐ Amendment to NOI
☐ Cancellation/ Termination of surety
☐ Escalation
☒ Partial Release of surety
☐ Other

Explain: Amount of LOC \$14,000 the amount released is \$10,000 a remaining balance is \$4,000 for further reclamation.

Surety Dollar Amount Associated With This Action: \$10,000.00

Surety Aggregate Amount: \$4,000.00

Included in this modification (surety must be attached)

Instrument(s):

<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input checked="" type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain:

**Other surety not affected by this modification will remain part of Attachment A and labeled as such.
This Modification will be effective as of the last date signed below**

Authorized Officer Signature

Printed

Title

Date

Division Director John R. Baza
Utah Division of Oil, Gas and Mining

Date



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 22, 2009

LOC - ZIONS BANK

Emma Montoro, Assistant Vice President
Zions Bank
Salina Branch
155 West Main
Salina, Utah 84654

Subject: Authorization for Partial Release of Reclamation Surety, Irrevocable Letter of Credit
Western Clay Company, Aurora Clay Mine, S/041/0033, Sevier County,
Utah

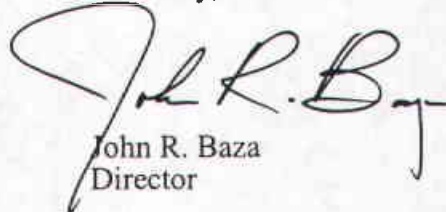
Dear Ms. Montoro:

Zion's Bank is presently holding a Letter of Credit # _____ for \$14,000 for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Western Clay Company's Aurora Clay Mine. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter will authorize the partial release of LOC # _____ if sufficient principal to reduce the face value of the Letter of Credit to no less than \$4,000 dollars

When this transaction has been accomplished, please furnish us with written confirmation that appropriate funds have been released and that the balance of retained funds will remain at no less than \$4,000.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Again, thank you for your help in this matter.

Sincerely,


John R. Baza
Director

JRB:lk:pb
cc: Brad Boyter, Operator
Penny Berry, DOGM
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Bond Release Findings

January 22, 2009

Mine Name: Aurora Clay Mine

I.D. No.: S/041/0033

Operator: Western Clay Company

Mineral Ownership: Fee

Surface Ownership: Fee

Disturbed and Bonded Area: **3.3 Acres**

Acres Requested for Partial Release: **3.3 acres**

Acres to be Release with this Action: **3.3 acres**

Surety

Total Surety Amount: \$14,000

Form: LOC - Zions Bank -

Amount Requested for Release: \$10,000

Amount to be Released with this Action: \$10,000

Amount to be Retained: \$4,000

Operations

This project reopened a historic clay pit. Approximately 4000 cy of clay was removed. .

Reclamation

General: During the late fall of 2008, the operator reclaimed this site. Reclamation activities included backfilling the old pit to the extent possible with old overburden piles and cutting the highwall back to the extent practical. Slopes were graded to a 3h:1v slope to the extent possible, and were blended into the surrounding topography. After regrading, the area was ripped to leave a roughen surface to aid in revegetation establishment and moisture retention. The area was seeded with an approved seed mix adapted to clay soils, and will meet the post mining land use of grazing..

Public Safety: Highwalls have been eliminated, garbage and debris have been cleaned up and removed from the site, there is no deleterious materials on site. Access to the area is through private, gated property.

Dams, Impoundments, and Drainages: Although the pit was not completely backfilled, slopes have been greatly reduced from pre-operating conditions. A pit (and small pond) existed prior to reactivation of this site.

Roads: Access to this site was pre-existing. The operator was able to use the pre-existing road without widening or other improvements.

Revegetation: Since the area was recently seeded, revegetation success is not evaluated.

Recommendation

The area was inspected on November 25, 2008, as the final ripping was occurring. Regrading and seedbed preparation meets DOGM requirements. It is therefore recommended that the Division rel



Permit Lead



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER JOHN R. BAZA
Executive Director Division Director

Inspection Report
Minerals Regulatory Program
December 23, 2008

Reviewed: TM

Mine Name: Aurora Clay Mine	Permit Number: S/041/0033
Operator Name: Western Clay Company	Inspection Date: November 25, 2008
Inspector(s): Lynn Kunzler, Wayne Western	Time: 11:45 am
Other Participants: Cory Thurston, Operator	Mine Status: undergoing reclamation

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Reclamation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

Operator requested site inspection to evaluate regrading work prior to demobilizing equipment

Inspection Summary:

This site was last active in 2004. The annual permit fees are up to date. The Division holds a LOC for \$14,000 from Zion's band as reclamation surety for the site. About 3 acres were disturbed during operations.

This site had been mined and abandoned prior to regulations requiring salvage of topsoil. Western Clay Company decided to reactivate the site in 2002. About 4,000 tons of clay were removed during the next three years. Reclamation of the site included regrading the area and backfilling the pit to the extent practical using old piles of overburden materials and cutting the highwall back. The operator will be seeding the disturbed areas within the next week. At the time of this inspection, most regraded slopes were less than 3h:1v, and blended into the natural surrounding topography. The operator was just finishing ripping the slopes to prepare the roughened seedbed.

Photos were taken to document site conditions.

Conclusions and Recommendations:

Regrading work was acceptable and met DOGM requirements. Although the pit was not completely backfilled, it was backfilled more that was expected, given the limited amount of material on site to do this. The land owner indicated that his cattle can use any water that ponds in the pit like they did prior to reactivation. Once the area is seeded, the operator may request a partial release of the surety. Continue to monitor this site when in the area.

Inspector's Signature

LK:vs

cc: Brad Boyer

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S/041/033

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 1

Date: August 11, 2004

UTAH DIVISION OF OIL, GAS AND MINING
("DIVISION")

1594 West North Temple, Suite 1210

P.O. Box 145801

Salt Lake City, Utah 84114-5801

RECEIVED

AUG 13 2004

DIV. OF OIL, GAS & MINING

Dear Sir/Madam:

At the request of WESTERN CLAY COMPANY ("Operator"), P.O. BOX 127, AURORA, UT 84620, we, ZIONS FIRST NATIONAL BANK ("Bank") hereby establish our Irrevocable Standby Letter of Credit in your favor up to an aggregate amount of Fourteen Thousand United States Dollars (USD14,000.00). This credit is available for payment against presentation of your draft(s) at Sight drawn on Zions First National Bank, Los Angeles, California, bearing the clause: "Drawn under credit No. 1 of ZIONS FIRST NATIONAL BANK, Los Angeles, California".

1. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Los Angeles time) on August 11, 2005, or (b) the date upon which sufficient documents are executed by the Division to release Western Clay Company ("Operator") from further liability for reclamation of Western Clay Company Inc., Aurora Clay Mine, S/041/033, Sevier County, Utah with notice to Bank by the Division accompanied by the original Letter of Credit with directions for cancellation.

2. This Letter of Credit will be automatically extended, without amendment, for successive periods of one year from the current or any future expiration date unless the Bank gives notice to the Division 90 days prior to the expiration date that the Bank elects not to renew the Letter of Credit.

3. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. 1 delivered to the office of the Bank, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

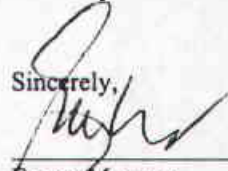
4. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 3 above on or before the expiration or termination of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 3 of this Letter of Credit, available to the Division no later than the close of business, Los Angeles time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.

5. The Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

6. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice of Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

7. All communications regarding this Letter of Credit will be addressed to ZIONS FIRST NATIONAL BANK, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071. referencing Letter of Credit No.

Sincerely,



Emma Montoro
Assistant Vice President

EXHIBIT A – SIGHT DRAFT

To
Letter of Credit Number _____

Date

Letter of Credit No.

City, County

PAY TO THE ORDER OF: **Utah Division of Oil, Gas and Mining**

DOLLARS

TO: **ZIONS FIRST NATIONAL BANK, Los Angeles**
International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

By: _____
Authorized Signature

EXHIBIT B

To
Letter of Credit Number _____

I, _____ a duly authorized
representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the
drawing in the amount of \$ _____, by sight draft accompanying this
certificate, under Letter of Credit No. _____ dated _____ issued
by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has
neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft,
together with any amounts previously drawn under the Letter of Credit, does not exceed the
Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing, has
entered an Order which has not been stayed, ordering forfeiture of the Letter of Credit No.
ZSB801123, in accordance with applicable law. Proceeds of this drawing will be utilized in
full to pay the expenses relating to the reclamation liability, together with the costs of
collection, including attorneys fees, for the _____ [mine],
_____ [mine permit #].

The Utah Division of Oil, Gas and Mining

By: _____
Authorized Signature

Date: _____



00000000000006005034508062004

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$14,000.00	08-06-2004		6005	2 / 7380		14985	
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: WESTERN CLAY COMPANY
P.O. BOX 127
AURORA, UT 84620

Lender: ZIONS FIRST NATIONAL BANK
SALINA BRANCH
155 WEST MAIN
SALINA, UT 84654

LOAN TYPE. This is a Fixed Rate (0.000%) Nondisclosable Loan to a Corporation for \$14,000.00. This is a secured renewal loan.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

☐ Personal, Family, or Household Purposes or Personal Investment.

☒ Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: TO TIE A LETTER OF CREDIT TO A REVOLVING LINE OF CREDIT.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$14,000.00 as follows:

Other Disbursements: \$14,000.00
\$14,000.00 To Maker of Letter of Credit if Drawn Upon

Note Principal: \$14,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash: \$105.00
\$105.00 Loan Origination Fee (\$)

Other Charges Paid in Cash: \$275.00
\$75.00 Documentation Fee
\$140.00 International Fee
\$20.00 Courier Fee
\$40.00 Letter of Credit Set-Up Fee

Total Charges Paid in Cash: \$380.00

FINAL AGREEMENT. Borrower understands that the loan documents signed in connection with this loan are the final expression of the agreement between Lender and Borrower and may not be contradicted by evidence of any alleged oral agreement.

ERRORS AND OMISSIONS. Borrower hereby agrees that it will, within ten (10) days of a request by Lender, comply with any request by Lender to correct documentation errors, omissions or oversights, if any, that occur in any documentation relating to this loan.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED AUGUST 6, 2004.

BORROWER:

WESTERN CLAY COMPANY

By: BRAD G. BOYTER, President of WESTERN CLAY COMPANY

By: GARIN G. MADSEN, Vice President of WESTERN CLAY COMPANY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACTName of Operator: Western Clay Co.Permit Number: S0410033Mine Name: Aurora Clay MinePhone Number: 435-529-3281

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☒ Decrease
☐ Increase
☐ Replacement

Reason: ☐ Amendment to NOI
☐ Cancellation/ Termination of surety
☐ Escalation
☒ Partial Release of surety
☐ Other

Explain: Amount of LOC \$14,000 the amount released is \$10,000 a remaining balance is \$4,000 for further reclamation.

Surety Dollar Amount Associated With This Action: \$10,000.00Surety Aggregate Amount: \$4,000.00

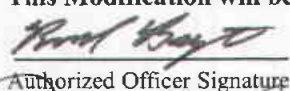
Included in this modification (surety must be attached)

Instrument(s):

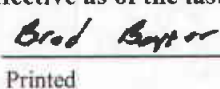
<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input checked="" type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain:

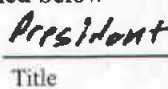
Other surety not affected by this modification will remain part of Attachment A and labeled as such.
This Modification will be effective as of the last date signed below



Authorized Officer Signature



Printed



Title

2-10-09
Date

RECEIVED

FEB 17 2009

Division Director John R. Baza
Utah Division of Oil, Gas and Mining2/23/09

DIV. OF OIL, GAS & MINING

File Number 5/041/033

Effective Date Aug 24, 2004

Other Agency File Number n/a

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) S/041/033
(Mineral Mined) Clay

"MINE LOCATION":
(Name of Mine) Aurora Clay Mine
(Description) 1.5 miles East of Aurora
above Valley Feedlot

"DISTURBED AREA":
(Disturbed Acres) 3.3
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Western Clay Co
(Address) PO Box 127
Aurora, UT 84620
(Phone) 435-529-3281

RECEIVED

AUG 20 2004

DIV. OF OIL, GAS & MINING

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

Brad Boyter

PO Box 127

Aurora, UT 84620

435-529-3281

"OPERATOR'S OFFICER(S)":

Brad Boyter, President

Garin Madsen, Vice President

Fred Mortensen, Director

SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Zions Bank

"SURETY AMOUNT":

(Escalated Dollars)

\$14,000.00

"ESCALATION YEAR":

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Western Clay Co the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/041/033 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved Notice of Intention and Reclamation Plan received 1-24-02. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Western Clay Co.
Operator Name

By Brad Boyter
Authorized Officer (Typed or Printed)

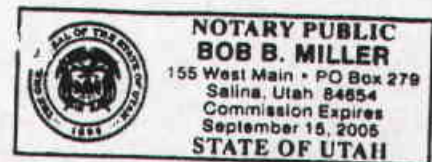
President
Authorized Officer - Position

Brad Boyter 8-18-04
Officer's Signature Date

STATE OF Utah)
COUNTY OF Garfield) ss:

On the 18th day of August, 2004, Brad Boyter
personally appeared before me, who being by me duly sworn did say that he/she is the
President of Western Clay Company and duly
acknowledged that said instrument was signed on behalf of said company by authority
of its bylaws or a resolution of its board of directors and said
Brad Boyter duly acknowledged to me that said
company executed the same.

Bob B. Miller
Notary Public
Residing at Salina
9/15/05
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

Date 8/24/04

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 24th day of August, 2004, Lowell P. Braxton
personally appeared before me, who being duly sworn did say that he, the said
Lowell P. Braxton is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Diane Holland
Notary Public
Residing at: Salt Lake City, Utah

5-01-2006
My Commission Expires:

ATTACHMENT "A"

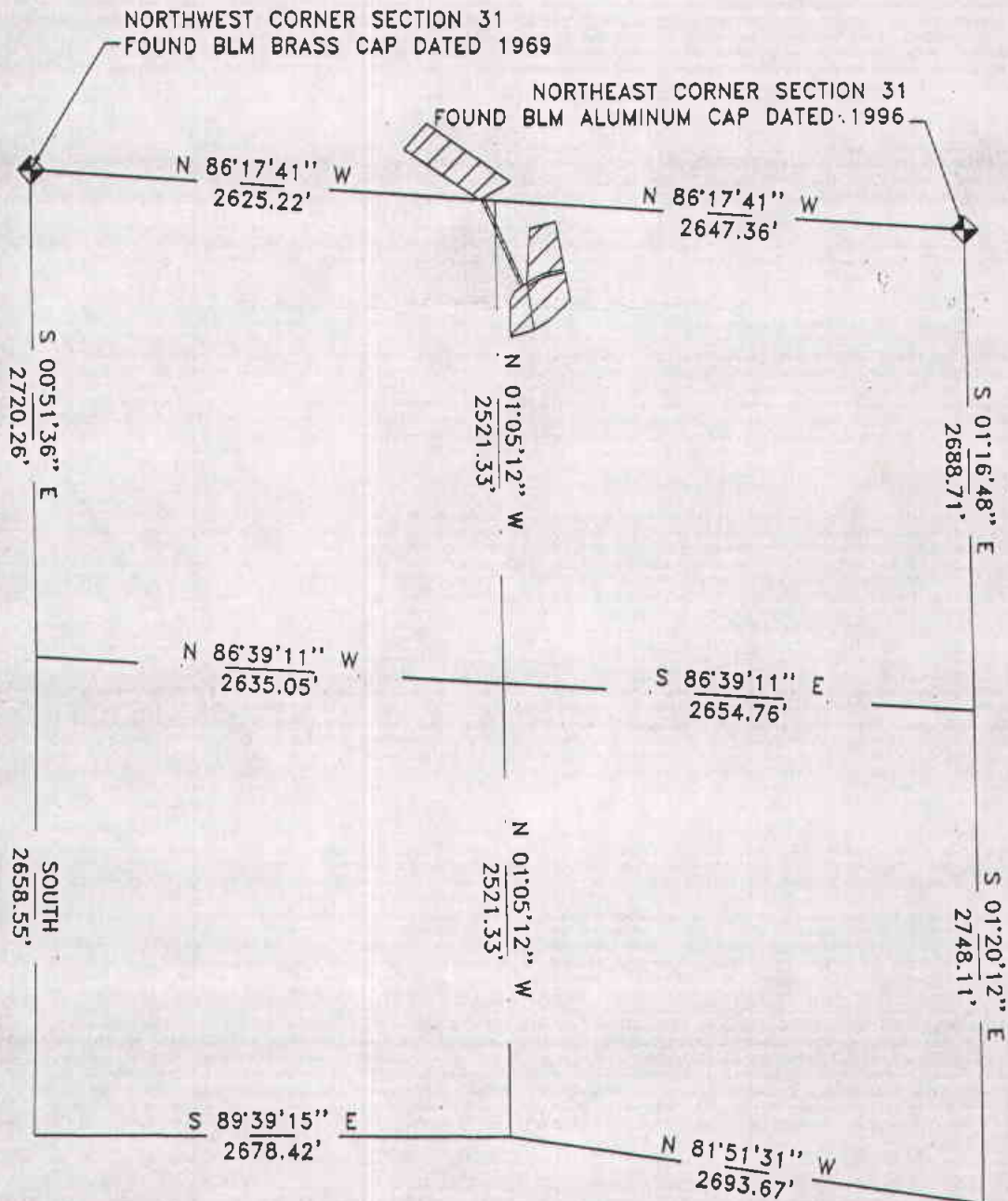
Western Clay Co Aurora Clay Mine
Operator Mine Name
S/041/033 Sevier County, Utah
Permit Number

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 3.3 acres under the approved permit and surety, as reflected on the attached map labeled Western Clay Survey Map and dated June 10, 2004:

Aurora Clay Mine
SE $\frac{1}{4}$ SW $\frac{1}{4}$ See 30 T21S R1W
SW $\frac{1}{4}$ SE $\frac{1}{4}$ See 30 T21s R1W
NE $\frac{1}{4}$ NW $\frac{1}{4}$ See 31 T21S R1W
NW $\frac{1}{4}$ NE $\frac{1}{4}$ See 31 T21S R1W



SECTIONAL INFORMATION

SCALE: 1" = 1000'

RECEIVED

JUN 10 2004

DEPT. OF AGRICULTURE & MINING

ED FOR WESTERN CLAY CO.
AURORA, UTAH

1
OF



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 29, 2012

Certified Return Receipt
7011 0110 0001 3568 3025

Zions First National Bank
International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071

Subject: Authorization for Full Release of Reclamation Surety, Western Clay Company, Aurora Clay Mine, S/041/0033, Sevier County, Utah

Dear Sir or Madame:

Zions Bank is presently holding Letter of Credit # _____ in the amount of \$4,000.00 for the benefit of the State of Utah, Division of Oil, Gas and Mining, as a form of reclamation surety for Western Clay Company's Aurora Clay Mine. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter authorizes the full release of this surety.

Please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261 if you have any questions or concerns. Thank you for your help in this matter.

Sincerely,

John R. Baza
Director

JRB:pnb:pb

Enclosure: Original LOC.

cc: Brad Boyter, Western Clay Company

P:\GROUPS\MINERALS\WP\M041-Sevier\S0410033-AuroraClay\Final\LOCR-4633-02272012.doc





GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 23, 2012

Bank of American Fork
33 East Main
American Fork, Utah 84003

Subject: Authorization for Partial Release of Reclamation Surety, Certificate of Deposit, Robert Steele, Hi-Cal Mine, M/023/0071, Juab County, Utah

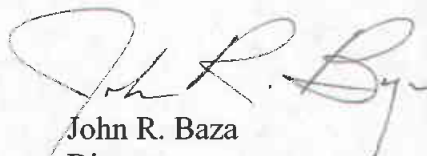
Dear Sir or Madame:

Bank of American Fork is presently holding certificate of deposit _____ for the benefit of the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Bureau of Land Management, as a form of reclamation surety for Robert Steele's Hi-Cal mine. This letter authorizes a reduction in the face value of the certificate of deposit to no less than \$6,000.00. Site inspections have verified that regrading is complete.

Please supply the Division with an amended certificate of deposit showing the new amount when this transaction has been completed.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,


John R. Baza
Director

JRB:whw:pb

cc: Robert Steele
JMansfie@blm.gov
oabeyta@blm.gov

P:\GROUPS\MINERALS\WP\M023-Juab\M0230071-HiCal\final\CDRel-4576-02232012.doc





GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 27, 2012

Certified Return Receipt
7011 0110 0001 3568 3032

Craig A. White
Utah Independent Bank
P. O. Box 1030
195 South Main
Beaver, Utah 84713

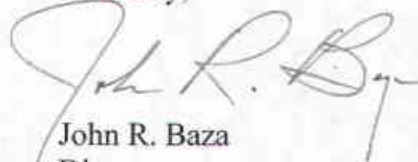
Subject: Authorization for Full Release of Reclamation Surety, Jimmy Hodges, Wild Horse
Exploration Project, E/023/0108, Juab County, Utah

Dear Mr. White:

Utah Independent Bank is presently holding Letter of Credit # _____ for the benefit of the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Bureau of Land Management, as a form of reclamation surety for Jimmy Hodges' Wild Horse Exploration Project. This letter authorizes full release of the surety. The operator has satisfactorily reclaimed the site.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,


John R. Baza
Director

JRB:whw:pb
Enclosure: Original LOC
cc: JMansfie@blm.gov
Jimmy Hodges
P:\GROUPS\MINERALS\WP\M023-Juab\E0230108-WildHorse\final\REL-3810-02222012.doc





GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 23, 2012

Margaret Buboltz
Liberty Mutual Insurance Company
Interchange Corporate Center
450 Plymouth Road, Suite 400
Plymouth Meeting, Pennsylvania 19462-8284


Subject: Authorization for Partial Release of Reclamation Surety, Freeport-McMoran Mineral Properties, Tintic Exploration Project, E/023/0114, Juab County, Utah

Dear Ms. Buboltz:

Liberty Mutual Insurance Company is presently holding surety bond _____ for the benefit of the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Bureau of Land Management, as a form of reclamation surety for Freeport-McMoran Mineral Properties' Tintic Exploration Project. Based on reclamation work performed, this letter authorizes reduction of the surety from \$95,000.00 to \$16,416.00.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,



John R. Baza
Director

JRB:whw:pb

cc: William Wilkinson, Freeport-McMoran
JManfiel@blm.gov
oabeyta@blm.gov

P:\GROUPS\MINERALS\WP\M023-Juab\E0230114-TinticExpProject\final\RELP-4554-2082012.doc

